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WILKINSON) BARKER) KNAUER) LLP

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MAY - 9 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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JONATHAN V. COHEN
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May 9, 2001

EX PARTE OR LATE FILED

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 - Twelfth Street, S.W., Room TW-A325
Washington, D.C. 20554

Re: *Notice of Ex Parte Communication*
WT Docket No. 99-168

Dear Ms. Salas:

This letter serves as notice that on May 8, 2001, Peter Cramton and Lawrence Ausubel of Spectrum Exchange Group, LLC, Richard L. Fields of Allen & Company Incorporated, John R. Feore, Jr. of Dow, Lohnes & Albertson (representing Paxson Communications Corporation), along with undersigned counsel, met with Chairman Michael K. Powell and his Senior Legal Advisor Peter A. Tenhula. The meeting concerned issues relating to the prospects for clearing incumbent broadcast stations from the 746-806 MHz band and the scheduling of FCC Auction #31, as reflected in the attached presentation, which was distributed at the meeting.

Pursuant to Section 1.1206(b) of the Commission's rules, an original and one copy of this letter are being filed with your office. Please associate this letter with the public record for the above-referenced proceeding.

Please contact the undersigned with any questions regarding this matter.

Sincerely,

WILKINSON BARKER KNAUER, LLP



By: Jonathan V. Cohen
Counsel for Spectrum Exchange Group, LLC

Attachment

cc: The Honorable Michael K. Powell
Peter A. Tenhula

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List A B C D E

Ex Parte Presentation on the 700 MHz Auction

Spectrum Exchange Group, LLC

May 8, 2001

- Voluntary clearing of the 700 MHz spectrum is close to becoming a reality
 - The FCC's Third Report & Order establishes the basis for voluntary clearing
 - Spectrum Exchange and Allen & Company Incorporated stand ready to serve as intermediaries in the clearing process and to administer a "linked auction"
 - Spectrum Clearing Alliance now has 63% broadcaster participation and growing
 - Incumbent broadcasters are motivated to clear now, given the May 2002 deadline for DTV service
 - Easier to clear digital incumbents before service is started and viewership has grown
 - Clearing of channels 59–69 is an easy way to free up 30 MHz of commercial spectrum and 6 MHz of private wireless spectrum, thereby alleviating the acute spectrum shortage faced by the U.S.
 - Clearing of channels 59–69 serves the additional important public policy objective of making 24 MHz of public safety spectrum useable
- Recent developments in the budget process need not delay band clearing
 - OMB takes the position that the channel 59–69 auction revenues must be received *by* FY 2004, not necessarily *in* FY 2004; and that it is perfectly acceptable for the FCC to hold the auction in 2002
 - Communications policy must prevail: it would be a real tragedy if the opportunity for early clearing of the 700 MHz spectrum were lost in the budget process
- The Commission should take action this month on the Petitions for Clarification and Reconsideration filed by the Spectrum Clearing Alliance and Spectrum Exchange
 - Permit UHF stations now broadcasting on channels 59–69 to move down and broadcast in analog on their digital allotments below channel 59 until the end of the DTV transition (if consistent with interference rules)
 - Allow three-way transactions having the same effect
 - Commit to expedited 90-day FCC processing of modification requests by broadcasters
 - Reschedule FCC Auction No. 31 for January 2002

Lawrence Ausubel, Spectrum Exchange Group, LLC

Peter Cramton, Spectrum Exchange Group, LLC

Richard Fields, Allen & Company Incorporated

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